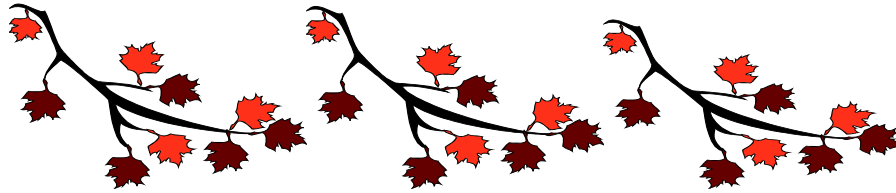


Property Writes

PROPERTY TAX DIVISION NEWS SEPTEMBER 2005



INSIDE

Message from the Director.....	2
Central Assessed.....	2
Natural Resources.....	3
Tax Rates	4
Real Property	5
Changes in Property Tax Staff	6
Education	6

Property Tax Division
Utah State Tax Commission

***<http://www.tax.utah.gov/property>**
210 North 1950 West
Salt Lake City, UT 84134
(801) 297-3600

Assessors: Mark your calendars for the 2005 Assessors School, this year's date is December 7 – 9, and will be held at the Hampton Inn at the International Center. More details will be mailed out in October.

Message from the Director

- Denny Lytle

The Property Tax Division has spent considerable time in the past few months responding to numerous requests from the various tax reform committees, the Tax Review Commission, and various legislative subcommittees. While time consuming and stressful on division resources, I believe the time we have spent and the information we have been providing is essential for the decision makers. They need to have the best and most current information to make decisions that will benefit the citizens of Utah. I also know that many of you, as county officials, have also been providing information, data, analysis, and testimony to the various committees. I support and applaud your efforts. These efforts to educate and inform the legislature in addition to the work you do to educate and inform the public about issues that affect their taxes are some of the most important things we do. This work can have some of the greatest benefits and can significantly reduce future problems.

Because the work of educating and informing is so vital, we need to be especially careful that the information we provide is accurate. As we have been gathering and analyzing data to provide to the various committees we have identified some problems in data consistency that we need to work together to solve. Over the next few months our Tax Rates and Statistics unit will lead an effort to create more consistency in the valuation and revenue reports we receive from the counties and how we aggregate that data for statistical analysis and reporting.

I want to express our sincere appreciation for the working relationships we have with the county officials. As I visit with my counterparts from other states they are amazed at how the counties and the Property Tax Division in Utah work together toward common goals. Those relationships are much different and often worse in other states. While we each have our individual functions as part of the system, and there are sometimes stresses that we need to work through, I believe the focus on common goals will keep us moving forward.



Centrally Assessed

Utilities

- Art Brownell

The utility section will have a new member joining our staff by mid September. Robert Davis recently received his MBA from Westminster. Previously, Bob worked for Fairchild Semiconductor for 17 years. He is anxious to begin a new career path and we are pleased to have him join our group.

The section has been heavily involved in appeal discussions. We have been able to reach agreements with a number of petitioners and continue to pursue agreements with others. In this area, the counties have also been actively involved in negotiations with several petitioners beyond discussions that the Division is holding. We support the counties' efforts to reach mutually beneficial settlements.

Our staff members have begun their audits of taxpayers this summer. A few audits have been completed to date and several others are scheduled for the fall. These audits always allow our staff to gain insights into the several companies we audit and often result in escaped property assessments being issued.

Late Filing Penalties - Marlo Edwards

There has been confusion in the application of late filing penalties for centrally assessed properties. If a taxpayer does not file their statements (Returns) for centrally assessed property by March 1 or within the time granted by an extension, a penalty of 10% of the estimated tax liability not to exceed \$50,000 or not less than \$100 will apply to the taxpayer. This penalty is to be collected by the county treasurer in the county where the property is located.

When the 10% tax liability is less than \$100 then the penalty is \$100. If the property is in more than one taxing district the \$100 penalty must be allocated to the districts the properties are located. The districts may be located in more than one county. Likewise if the 10% penalty is more than \$50,000 the penalty must be allocated to the taxing districts so the total penalty does not exceed \$50,000.

The property tax division will be computing the late filing penalty based on the current tax rate and the value in each district. The PTD will be sending to the county treasurer by the end of September the calculations of the penalties. As of September 15, 2005 all penalty appeals except four have been resolved. The listing the PTD will be sending will indicate those penalties that have been waived, the penalties where appeal decisions are pending and a listing of the companies that the county treasurer should bill for the late filing penalty.



Natural Resources

- Paul Bredthauer

Fieldwork

Field inspections are continuing. The following counties have been visited this quarter: Carbon, Duchesne, Emery, Garfield, Iron, Piute, Salt Lake, Sanpete, Sevier, Tooele, Uintah, Utah, Washington, Wayne and Weber.

Appeals

Twenty-Six appeals had initial hearings and thirteen appeals had status conferences. Fifteen appeals have received orders, two appeals have been dismissed and five appeals have received the order to show cause. This leaves twenty-three appeals that are outstanding from the 2005 assessment along with six appeals from prior years.

Computer

Testing of the new Central Assessed System (CAS) computer program is underway.

Employee

Elliot Foote retired in July. His expertise in the appraisal field will be missed. Randy Creager has been hired to replace Elliot. Chris Isom will be assessing the Sand and Gravel Properties that Elliot Foote had assessed and Randy will be assessing of Oil & Gas Properties.



Tax Rates

- LaMar Sayer

Well, here we are once again, coming to an end of the tax rate setting process. Thanks to the great work done by the county auditors and their staff; with some vital help from the county assessors and treasurers, we have finished a record setting year. Together we got the state basic and the multi-county assessing out on June 22nd. This is first time we have had this done before the first week in July. Most of the counties certified tax rates were also completed around that time. Wow, we are so impressed with the county officials and what you have accomplished.

We have reviewed all of the documents involving the approximate 51 entities that went through Truth-In-Taxation and have finalized all tax rates. Again, this process was done more quickly and with greater accuracy because of the help and support provided by the local county officials. Thank you for your help!!

On August 30th we conducted our first Property Tax Administration Course designed expressly for local cities, towns and special districts. The class was cut down to one day and the material restructured to fit the needs and interests of cities, towns, and special

districts. The class was held in Panguitch and we felt it was a great success. Next year we anticipate moving the class to the evenings, for two days in a row. We will split the class into two 3 to 3 ½ hour blocks. We hope that by moving the class to the evenings more volunteers that service the cities, towns and special districts will be able to attend. We tentatively are planning to hold a class in Logan, Price, Moab and Vernal in the end of August 2006. We will take some time with the auditors at UAC in November to discuss these classes.

Real Property

“A Tribute to a Retiree”

Steve Farrell has retired from the Property Tax Division after 35 years of exceptional service. His hard work, dedication and significant positive influence will be greatly missed here at the division. He achieved what most of us want to achieve in our work, to make a difference and leave the place better than we found it. Steve did that and he will be missed. What follows is partially tribute and partially “roasting.”

In 1968 after graduating from USU with a degree in AG Econ and Business, Steve found his way to the Territory of Utah Tax Commission applying to become a real estate valuation specialist. This was during the great land rush when the legislature had decided the only way to achieve fair assessment in all counties across the state was to take charge and do it for the counties. This required a great deal of manpower and Steve became one of the pioneers of property valuation.

Before Steve could make his mark with the state, the United States Government recognized his ability to go ahead of the crowd and placed him in service to the country. Even back then, Steve was never the one to take the easy road and so he became a Marine, Semper Fi. All written records of the time period have mysteriously vanished, but we have verbal testimony that Steve served his country proudly and Okinawa will never be the same.

We have heard many tales of Steve coming back to work after his military service. We tend to believe the one that says he was not guaranteed his job back. Well you all know Steve he just kept showing up to work and before long they couldn't function without him, so they issued him a tape measure, a Polaroid camera, and a companion and sent him across Utah to appraise properties for taxation.

As Steve traveled through the state he started memorizing everybody's name, face, family heritage, and what property they owned. He became a great resource for county document managers and genealogists. Truly, he has the largest memory databank of people, names, faces, properties, ownership, and family relationships of anyone we have ever met.

He has trained many of the people who now work for the division and his influence will be with the division for a long time. Much of the relationship improvement between the counties and the state over the years is a direct result of Steve's influence.

We were honored to work with Steve on a daily basis and hope to continue our association with him as a friend and in his new position on the Wasatch County Council.

Changes in Property Tax:

To those that have chosen to leave Property Tax: we give big thanks for the service that they provided:

Charles Peterson – To the Department of Commerce

Steve Farrell – Retired

Elliot Foote – Retired

Chad Francom – Chose the private sector

Craig Alliger – Chose the private sector

A welcome to Property Tax:

Randy Creager – Natural Resources

Robert Davis – Utilities

Promotions:

Sheldon Draper – Manager of Utilities

Art Brownell – Lead of Utilities

Gerald Osborne – Manager of Real Property (County Reps)

Education

- Ron Smith

A “Segmented” Approach to the 2008 Appraiser Qualification Changes: We Like It

As you know, the Division of Real Estate is adopting stricter appraiser education standards beginning January 1, 2008. To become licensed or certified after January 1, 2008, substantially more education is required (plus a college degree in some cases). Now is the time to plan ahead.

The DRE has now adopted a “segmented” approach to the appraiser license application program, making it possible for many appraisers to use pre-2008 education requirements, finishing up the experience and testing after January 1, 2008. Before explaining the segmented approach to licensing, here are the old and new appraisal education requirements:

	Current Requirements	1/1/2008 Requirements
Trainee	75 hours	75 hours (no change)
Licensed	90 hours	150 hours
Certified Residential	120 hours	200 hours, plus associate degree or equivalent
Certified General	180 hours	300 hours, plus bachelors degree or equivalent

The segmented licensing approach divides the application into three categories: Education, experience and testing. If a person completes the education requirements to become licensed before 2008 (90 hours), but not the experience requirement (two years) or testing, that person can still apply before 2008 to become licensed. The education would be approved under the pre-2008 rules. The application would be held at the DRE until the experience was completed after 1/1/2008. When the experience (two years) was completed, the applicant would be allowed to test.

This approach is particularly important for those who will be licensed before 2008 and desire to become certified. Those appraisers can complete their education hours under the current requirements, and apply to be a certified appraiser before 1/1/2008 even if their experience years have not yet been completed. The education would be approved under the current rules, and the application would be held at the DRE until the experience was completed after 1/1/2008. Since the education was already approved, the applicant would not be required to complete the post-2008 higher number of hours and have the college degree.

The bottom line: Make sure you complete your existing education well before 2008, and apply for the next level of licensing or certification before 2008, even if you will not have all the required experience.

More details can be found in the August, 2005 issue of "Appraiser Review," published by the Division of Real Estate. Call Ron Smith for details and assistance in answering specific questions and for help in the application process. In this case, it's good to be segmented.

“See you all at UAC in November”

